

POLICY ALERT: WORK AND FAMILY

It's The Family Budget...And Values, Stupid

Today, Senator John Kerry announced new after-school and child care tax credit initiatives. His speech is part of a renewed focus on easing the "middle class squeeze." Yesterday, Senator Edward Kennedy and Representative Rosa DeLauro introduced a bill guaranteeing employees paid time off for their own or a family member's illness.

The emphasis on families and the pressures on them is exactly right. American families are experiencing a "family budget shock" as a result of three reinforcing trends: stagnating incomes, increasing fixed costs and declining benefit coverage. These reform proposals directly address the family's bottom line and the level of care they can provide their kids.

Public officials and politicians who offer solutions that help the family budget demonstrate they "get" how the economy affects real families. Arnold Schwarzenegger saw this. He championed an after-school initiative before running for Governor. President Bill Clinton campaigned on the Family and Medical Leave Act in 1992 and made sure it was the first bill he signed. He mentioned it in every State of the Union Address. This year, both President Bush and Senator Kerry have proposed making permanent marriage penalty relief and expansion of the child tax credit.

These politicians know that parents with kids at home make up 1/3 of all voters - slightly more than seniors - and that these parents are working longer and harder to make ends meet. They also know that economics and values are not separate conversations. **According to a recent poll conducted by Anna Greenberg and Bill McInturff for the New America Foundation's Work & Family Program, a full 77 percent of likely voters feel that it is difficult for families to earn enough and still have time to be with their families. Eighty-four percent agree that children are being shortchanged when their parents have to work long hours.**

The economy has picked up but these issues will continue to resonate. Three trends contribute to the family budget shock: (1) Income: Wages have stagnated and payroll taxes take a big chunk out of the take-home pay of working mothers and fathers. (2) Expenses: Fixed costs such as housing, child care, health care and college are through the roof. Now gas prices are up as well. (3) Risk: Job tenure and benefit coverage are down. Families know that they are flying without a net - and that in the event of an illness or the loss of a job they could lose it all. (For more on the stresses on families, see [Fact Sheet: The America Family: Indicators of Economic Stress](#))

The result is that families work more. In 70 percent of families today, there's no one home full-time - there are either two working parents or a single working parent. This is the reverse of 1960 when 70 percent of families had someone home full-time. Mothers have increased the hours they spend on the job by over 1/3 in the last two decades, according to the Economic Policy Institute. Full-time jobs often lack access to parental leave or flexible work arrangements that would help them balance work and family. (For more on the problem of job inflexibility, see [Fact Sheet: Working Families Catch-22: Inflexibility or Part-Time Penalty](#); for the impact on mothers, see [Fact Sheet: The Way Women Work](#))

Jody Heymann, Director of Public Policy at the Center for Society and Health at Harvard University, has new data out today showing how badly the US lags other countries in policies that would help American families. (For a copy of this study, see [The Work, Family and Equity Index](#))

Research from the Community, Families & Work Program at Brandeis University shows working parents with school-age children who work in inflexible workplaces and have children in unsupervised settings are 4.5 times more likely to report low psychological well-being than their counterparts with more workplace flexibility and better after school options.

Policy reforms are critical. After-school. Child care. Health care and pensions that are not dependent on working long hours. Job flexibility, including paid leave. Hopefully, this week is just the beginning of a national dialogue.

Additional Reading:

"The Parent Gap"

The Washington Monthly, 10/2002

<http://www.newamerica.net/index.cfm?pg=article&pubID=978>

"The Parent Trap"

The Atlantic Monthly, 02/2003

<http://www.newamerica.net/index.cfm?pg=article&pubID=1152>

"Workplace Flexibility: A Policy Map"

Work & Family Program Issue Brief, 05/2004

http://www.newamerica.net/Download_Docs/pdfs/Pub_File_1584_1.pdf

"Call It the Family Risk Factor"

The New York Times, 01/11/2004

<http://www.newamerica.net/index.cfm?pg=article&pubID=1445>

"Studies Show that U.S. Trails on Sick Leave"

The Washington Post, 06/16/2004

<http://www.washingtonpost.com/wp-dyn/articles/A44644-2004Jun15.html>

Work & Family Program, New America Foundation

<http://www.21stcenturyfamily.org/>